DEVELOPMENT SECRETARIAT

Notification dated 30th November 1953.

No. C. & D. 2866-67. The following communications issued by the Government of India, Ministry of Works, Housing and Supply, are published for the information of the public.

1. Resolution No. Pur. 1-4 (1), dated 20th June 1952 of the Government of India, Ministry of Works, Housing and Supply.

2. Letter No. C.S. 4-A/Reg.—P-282, dated 17th July 1953, from the Director-General of Supplies and Disposals, Government of India, to the Director of Industries and Commerce in Mysore, Bangalore, with lists of articles in demand and which can be manufactured by Cottage and Small-scale Industries.

By Order and in the name of the Rajpramukh,

R. J. REGO,
Secretary to Government,
Development Department.

GOVERNMENT OF INDIA

MINISTRY OF WORKS, HOUSING AND SUPPLY.

Resolution No. Pur. 1-4 (1), dated 20th June 1952.

The Government of India recognise the importance to the national economy of cottage and small-scale industries and the scope they offer for village and co-operative enterprise and for the rehabilitation of displaced persons. The Planning Commission in the draft of the first Five-Year Plan have observed that the Stores Purchase Policy of the Government could be effectively utilised for developing cottage industries and recommended that it should be an object of policy to encourage so far as possible by State purchase, the production and utilisation of cottage industries products. The question of the manner and the extent to which preference should be given to handspun and handwoven materials and other products of cottage and small-scale industries has been under consideration of the Government of India and the following decisions have now been taken :—

(i) Where basic considerations like quality, delivery dates, etc., are comparable, the products of cottage and small-scale industry, will be given preference over products of other manufacturers in purchase for Government requirements.

(ii) In the case of items in which cottage industry has advantages over large-scale industry, or has established itself as a supplier to Government on competitive terms, such preference will extend to orders being placed with cottage and small-scale industry to the fullest possible extent before orders are placed with large-scale industry.

(iii) In the case of other products, a price advantage and suitable relaxation as regards specifications, which are difficult to attain, will be given on the circumstances and merits of each case.

(iv) All cases in which it has not been possible to give preference to the products of cottage and small-scale industry will be reviewed periodically to ensure that due effect is given to Government's decision.

(v) Preference as regards price should normally be given only to offers made by cottage and small-scale industry through a Co-operative Society or through an agency approved by the Ministry of Commerce and Industry. For the purpose of such approval, Ministry of Commerce and Industry would consult the State Governments and approve if only such agencies as are genuinely interested in the welfare of cottage industry and work on a non-profit making basis.

(vi) Price preference should not be withheld from cottage industry products only for the reason that purchase is made from a middleman if it is clear that such middleman is a traditional employer, *e.g.*, a Master Weaver or a Master Cobbler.

Letter No. CS 4-A—Reg.—P-282, dated 17th July 1953, received from the Director General of Supplies and Disposals, Government of India, New Delhi, to the Director of Industries and Commerce in Mysore, Bangalore.

Subject :—Encouraging utilisation of Cottage Industries products in State purchases of stores—registration of Firms/Units engaged in Cottage Industry on the list of 'Approved Contractors' of the Directorate General of Supplies and Disposals, Government of India, New Delhi.

In inviting attention to Government of India, Ministry of Works, Housing and Supply Resolution No. Pur-1. 4(I), dated 20th June 1952, laying down the policy which the General Government propose to follow with a view to developing Cottage Industries by utilising their products for Government requirements, I have the honour to state that the views and comments of the Directors of Industries of the various State Governments on the procedure to be followed in registering Cottage and Small Scale Industries for the purpose of handling Government demands were called for by the Government of India, *vide* Ministry of Commerce and Industry (Cottage Industries Directorate) Letter No. Cot. 62—51, dated 17th June 1952. The replies received in response to the above letter have been duly considered by the Ministries of Commerce and Industry and Works, Housing and Supply in consultation with this Directorate General which is responsible for procurement of all stores required by the Central Government and such of the State Governments, quasi-public bodies, etc., as desire to effect their purchases through this organisation. It has accordingly been decided that the following procedure shall be followed for the registration of Cottage and Small Scale Industry Units/Firms as 'Approved Contractors' to this Directorate General :—

(*a*) The Cottage and Small Scale Industry units seeking registration with D.G.S. & D. should apply for this purpose on the prescribed form which is obtainable from the Cash Branch of this office on payment of Rs. 5 and such requests should be routed through the State Director of Industries concerned.

(*b*) On receipt of a fee of Rs. 5 a copy of the application form together with necessary enclosures will be sent to the firm/unit for completion and return to this office *through* the State Director of Industries concerned. Firms/Units will be required to submit a copy of their forwarding letter under which they submit their application to the State Director of Industries, to this office along with necessary forms duly completed. On receipt of this intimation this office will request the Inspection Wing of this Directorate General to arrange inspection of the premises/factories of the applicant firms/units in conjunction with the representative of the State Director of Industries and local representative of the Directorate General's Inspectorate concerned. The joint inspection will not be compulsory but will be undertaken where feasible. In the case of firms/units in Jammu and Kashmir State, however, it has been decided that inspection would be arranged by the State Director of Industries as there is no Inspection Unit of this Directorate General anywhere near the area. In cases where joint inspection is not possible the reports received from the State authorities will in the first instance be thoroughly scrutinised in the Inspection Wing of this Directorate General and an Inspector will later on be deputed by the Inspection Wing for joint inspection, if considered necessary.